

INFORMATIONAL HEARING AND SITE VISIT  
BEFORE THE  
CALIFORNIA ENERGY RESOURCES CONSERVATION  
AND DEVELOPMENT COMMISSION

In the Matter of: )  
 )  
Application for Certification ) Docket No.  
Canyon Power Plant ) 07-AFC-9  
 )  
 )  
\_\_\_\_\_ )

ANAHEIM CITY HALL  
COUNCIL CHAMBERS, 1ST FLOOR  
200 S. ANAHEIM BLVD.  
ANAHEIM, CALIFORNIA 92805

TUESDAY, APRIL 15, 2008

5:42 p.m.

Reported by:  
Troy Ray  
Contract No. 170-01-001

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

Jeffrey Byron, Presiding Member

HEARING OFFICER AND ADVISORS

Paul A. Kramer, Jr., Hearing Officer

John Wilson, Advisor

Gabriel Taylor, Advisor

STAFF AND CONSULTANTS PRESENT

Che McFarlin, Project Manager

Deborah R. Dyer, Staff Counsel

PUBLIC ADVISER

Nick Bartsch

APPLICANT

Scott A. Galati, Attorney  
Galati and Blek, LLP  
representing Southern California Public Power  
Authority

Steve Sciortino, Public Utilities Integrated  
Resource Manager

Tom Wood, Assistant City Manager

Marcie Edwards, General Manager

Public Utilities Department

Don Calkins

Larry Davis

Peter Wong

J. Borrego

Allison M. Kott

Lawrence Davis, Project Manager

Public Utilities Department

Jan Roosevelt

Public Utilities Department

Maria Ruiz McCann

Public Utilities Department

Suzanne Wilson

Erin D. Wahlen

Office of the City Manager

City of Anaheim

ALSO PRESENT

Bob Hernandez, Mayor Pro Tem  
City of Anaheim

Lon Cahill  
Advisory Board  
Anaheim Public Utilities Board

Mike Mills  
Vicky Lee  
John Theodore Yee  
South Coast Air Quality Management District

Mike Johnson, Representative  
Supervisor Bill Campbell's Office

Bruce Cook, Principal Planner  
City of Yorba Linda

Todd Ament, President, CEO  
Anaheim Chamber of Commerce

Chuck Lozano  
Southern California Pipe Trade Local 250

Tang Hussain  
Cindy Poiré  
URS Corporation

Nick Panchev, CEO  
Ecosystem Solar Electric Corp.

Carlos Vrquiza

Fiorate Ortallza, CEO

Sylvia Novoa

David Wiseman  
GB

Christine Logsdon  
RC Graphics and Consulting, Inc.

Walt Breen  
Selvey Enterprises

ALSO PRESENT

Rudolfo Linares, Manager  
Lemes Enterprises, LLC

Ken Griffithe  
Bureau Veritas

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

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## P R O C E E D I N G S

5:42 p.m.

PRESIDING MEMBER BYRON: Thank you very much. I'm sorry we're starting a little bit late, but I hope everyone enjoyed a little snack as much as I did.

Allow me to introduce myself; I'm Commissioner Jeff Byron with the California Energy Commission. And I'm the Presiding Member assigned to this application before the Commission. My Associate Member on our two-person Committee, Commissioner Rosenfeld, could not be here today. However, he sent in his stead, all the way to my right, his Senior Advisor, Mr. John Wilson.

To my left is my Advisor, Gabriel Taylor. And this gentleman to my right is our Hearing Officer who will be conducting most of the proceeding this evening, Paul Kramer.

We have a number of announcements to make. This is our first meeting here. We did a site visit earlier to get an opportunity to look at the proposed location of the Canyon Power Project. And we're here this evening to give the public a sense of our process, to hear from the applicant, to hear from the staff who will be

1       doing an independent assessment of the  
2       application.

3               And as the Hearing Officer will explain,  
4       and others, our process will be that the Committee  
5       will evaluate everything that we hear and make a  
6       decision or a recommendation to the full Energy  
7       Commission.

8               The process will take approximately a  
9       year. And I'd like to also before we go ahead and  
10      introduce staff and the applicants go ahead and  
11      introduce some of their staff, I also understand  
12      that we may have some elected officials here and  
13      appointed officials.

14              Mr. Sciortino, would you, by chance,  
15      know who they all are so we could ask them to  
16      stand and you could introduce them?

17              MR. SCIORTINO: Well, let me start off  
18      with the Assistant City Manager, Tom Wood. And he  
19      can introduce the remainder of the group that's  
20      here with us.

21              MR. WOOD: Mayor Pro Tem Bob Hernandez  
22      is with us from the City Council. Bob. That's it  
23      for elected officials.

24              PRESIDING MEMBER BYRON: Yes, and we  
25      also have a Board Member here from your Advisory

1 Board.

2 MR. SCIORTINO: We have the Chairman,  
3 Mr. Lon Cahill.

4 PRESIDING MEMBER BYRON: Mr. Cahill,  
5 thank you. Thank you, as well, Mr. Hernandez for  
6 being here. It means a great deal when we have  
7 elected officials attend, as I'm sure it does to  
8 your constituency.

9 And I think it also would be polite of  
10 us to acknowledge other agencies that are here, as  
11 well. My sense is there's probably some folks  
12 from the South Coast Air Quality District. Would  
13 you mind standing? And if you could speak loudly  
14 we might be able to pick up your name.

15 MR. MILLS: Mike Mills, South Coast  
16 AQMD.

17 PRESIDING MEMBER BYRON: Thank you,  
18 Mike.

19 MR. MILLS: And we have three of us  
20 total.

21 PRESIDING MEMBER BYRON: Okay, thank you  
22 very much.

23 Are there any other representatives from  
24 other state or local agencies here? Yes, sir.

25 MR. JOHNSON: I'm representing



1 Supervisor Bill Campbell; he also sits on the AQMD  
2 Board, as well.

3 PRESIDING MEMBER BYRON: A  
4 representative from Supervisor Bill Campbell.  
5 What's your name?

6 MR. JOHNSON: Mike Johnson, I'm Board  
7 consultant to AQMD, as well.

8 PRESIDING MEMBER BYRON: Thank you. Any  
9 others? Yes, sir.

10 MR. COOK: Yes, good evening. I'm Bruce  
11 Cook with the City of Yorba Linda.

12 PRESIDING MEMBER BYRON: Thank you for  
13 being here. Mr. Cook from Yorba Linda.

14 Well, having done all that, let's go  
15 ahead and ask the applicant if you wouldn't mind  
16 introducing staff that's here today. And then  
17 we'll turn it over to our staff to introduce  
18 themselves.

19 MR. SCIORTINO: I have with me our  
20 General Manager for the Public Utilities  
21 Department, Marcie Edwards.

22 MR. GALATI: Scott Galati.

23 MR. SCIORTINO: And I'm Steve Sciortino,  
24 the Project Manager.

25 PRESIDING MEMBER BYRON: So, we also

1 have members of our staff that are present. Che  
2 McFarlin, would you mind introducing yourself and  
3 others.

4 MR. MCFARLIN: Yeah, I'm Che McFarlin;  
5 I'm the CEC's Project Manager assigned to this  
6 case. And with me to my left is Debra Dyer, our  
7 Staff Counsel. We have a few other members of our  
8 staff here in the audience, as well.

9 PRESIDING MEMBER BYRON: Well, thank  
10 you. Now, I probably have said more than I  
11 should, and so I'll be generally pretty quiet here  
12 for the remainder of our hearing. And I will turn  
13 it over now to our -- I always have trouble with  
14 this -- Hearing Officer --

15 HEARING OFFICER KRAMER: Hearing Officer  
16 or Hearing Adviser.

17 PRESIDING MEMBER BYRON: -- to our  
18 Hearing Officer, Mr. Paul Kramer.

19 HEARING OFFICER KRAMER: Thank you,  
20 Commissioner Byron. I think we've covered all the  
21 introductions.

22 One point to make for those of you who  
23 are going to be speaking, we are transcribing this  
24 hearing today, and it will eventually be available  
25 on our Commission website. So, if you want to

1 make sure that your name is spelled correctly in  
2 that transcript, and especially if you think it's  
3 possible it might not be, you might give a  
4 business card to our court reporter. He's  
5 actually back in the sealed booth in the back of  
6 the room. So Mr. Bartsch of the Public Adviser's  
7 Office will be collecting cards on his behalf.

8 And speaking of Mr. Bartsch, that, I  
9 suppose, is the one person we have not yet  
10 introduced. Could you raise your hand, again,  
11 Nick? He's in the back of the room.

12 And he has blue cards, if you're a  
13 member of the public and you want to speak, we'd  
14 encourage you to fill out one of those blue  
15 speaker cards with your name. And if you are  
16 interested in a particular topic, if you could  
17 write that down on the card, as well, it'll help  
18 me to group all the people who want to talk, say,  
19 about air quality or some other topic, together.  
20 Which, I think, will make for a more efficient and  
21 informative hearing this evening.

22 We're not here today to make any  
23 decisions about the proposed power plant. The  
24 application was recently filed in December. But  
25 our goal today is to inform the public about the

1 Energy Commission's process, about the project  
2 proposal and how the public can participate in our  
3 process if they choose to do so.

4 At the back table outside the doors of  
5 the Council Chambers here, we have a couple  
6 documents you might be interested in. One is the  
7 staff issues identification report that we'll be  
8 discussing later. And also there's a sheet that I  
9 prepared that has contact information for people  
10 like Mr. McFarlin, myself, the Public Adviser's  
11 Office. And it also has the address of the  
12 Commission's webpage for this project. So if you  
13 want that information grab that piece of paper.  
14 If we run out, see me or Mr. McFarlin, and we can  
15 give you that information.

16 The applicant in this case is the  
17 Southern California Public Power Authority. As I  
18 said, on December 28th of last year it submitted  
19 an application for certification, what we call an  
20 AFC at the Energy Commission, to construct and  
21 operate the Canyon Power Plant, which would be a  
22 200 megawatt, simple cycle power plant on a ten-  
23 acre parcel on East Miraloma Avenue, a little bit  
24 west of North Kramer Boulevard.

25 I'll leave it to the staff and applicant

1 to give you further details in their presentations  
2 in a few minutes.

3 The Energy Commission has exclusive  
4 jurisdiction to license this project. And as  
5 Commissioner Byron said, we're considering it  
6 under basically a 12-month review process, give or  
7 take.

8 The notice of the events today was  
9 mailed on March 20th to all the parties, adjoining  
10 landowners and interested government agencies and  
11 other individuals.

12 And just before today's meeting we took  
13 a bus tour to the site and looked at some of the  
14 routes for what we call the linears, the gas  
15 pipeline, the transmission lines that take the  
16 electricity out of the plant, and a water pipeline  
17 that would provide some cooling water.

18 Today's hearing is the first in a series  
19 of Commission events that will extend about over  
20 roughly the next year. The Committee will  
21 eventually conduct evidentiary hearings and  
22 prepare a proposed decision for consideration by  
23 the full five-member Energy Commission.

24 There will be additional opportunities  
25 for the parties and government agencies to discuss

1 the issues relating to the project. The next set  
2 of those events will be workshops conducted by the  
3 Commission Staff. The Committee won't be there.

4 And depending on the degree of local  
5 interest and the nature of the issues, those may  
6 be either held here or in Sacramento. But  
7 generally speaking, if they're held up in  
8 Sacramento there will be a telephone call-in  
9 number so people who live down here can still  
10 participate by calling in on the telephone.

11 The Commission's decision must, by law,  
12 be based solely on the evidence that's given at  
13 the evidentiary hearing that will come in a few  
14 months. And to insure that that happens, and to  
15 preserve the integrity of the Commission's  
16 process, the law prohibits private contacts  
17 between the parties with the public and the  
18 Committee Members or their Advisors.

19 The legal name for this rule is the ex  
20 parte, or I think that's Latin for one-sided rule.  
21 It means that all discussions with the Committee  
22 about a substantive matter must occur in a public  
23 meeting such as today, or in the form of a written  
24 communication that can be shared with the other  
25 parties.

1           The purpose of the rule is to provide  
2           full disclosure to all the participants of any  
3           information that might be used as a basis for the  
4           Commission decision on the project.

5           It is okay, though, to have ex parte  
6           discussions about procedural matters such as  
7           scheduling hearing. So, for instance, it would be  
8           perfectly appropriate for a member of the public  
9           to call me up and ask about when a hearing was  
10          going to be or something of that nature. Although  
11          you would also find that information on our  
12          website.

13          And if you do have access to the  
14          internet that is one of the easiest ways to keep  
15          up with the events in this case. Not all of the  
16          documents, but all the major documents, are posted  
17          on the webpage for this project.

18          And you can also get your name on an  
19          email list which will -- it won't get you all the  
20          documents, themselves, but it will, generally  
21          speaking, give you notice that something has  
22          happened, a particular notice has gone out. And  
23          then you can go to the website to look at it. So  
24          that's a more passive way of keeping up with the  
25          case, you can also just go to the webpage every

1 week or so to see what's going on.

2 And, again, the address for that page is  
3 on that contact information sheet that is on the  
4 back table. Mr. Bartsch has, no doubt, put it in  
5 all of the information that he's been using as  
6 part of his outreach. And if we run out of those  
7 see Mr. McFarlin or I, or give us a call and we'll  
8 make sure that you get that information.

9 Speaking of Mr. Bartsch, it's time for  
10 the Public Adviser's presentation. Again, this is  
11 a public proceeding and we encourage members of  
12 the public and interested organizations to  
13 actively participate and provide your views on the  
14 project to the Committee and the staff.

15 Members of the public are also eligible  
16 to intervene as a formal party in the proceeding.  
17 What that does, it does come with some  
18 obligations. You have to file periodic reports of  
19 the status of the case. And your participation  
20 will be a little more formal, but it gives you the  
21 right to cross-examine other parties' witnesses at  
22 the hearing, and to put into the record evidence  
23 with your own witnesses.

24 If you're not an intervenor then you're  
25 limited to making comments during the public



1 comment portion of any of our meetings or  
2 hearings.

3 So, at this time we'll let Mr. Bartsch  
4 come up to explain that participation in a little  
5 more detail, and also explain what his office has  
6 done to reach out and provide information about  
7 this case to the local community.

8 PRESIDING MEMBER BYRON: If you wouldn't  
9 mind, if anyone's here that would care to  
10 characterize themselves as a member of the public,  
11 if you wouldn't mind just raising your hand.  
12 Because we'd appreciate it, give us a sense of how  
13 many we might have here. Under no obligation.  
14 Thank you, sir. Welcome.

15 MR. BARTSCH: Thank you, Mr. Kramer. My  
16 name is Nick Bartsch; I'm Manager of the Public  
17 Adviser's Office. The Public Adviser's Office is  
18 an independent office within the Energy  
19 Commission, who's head, the Public Adviser, is  
20 appointed directly by the Governor.

21 Our primary responsibility is to insure  
22 full and meaningful participation by the public in  
23 the siting process through the entire process. As  
24 Mr. Kramer said, this usually takes at least a  
25 year, maybe longer sometimes.

1           There are quite a few public hearing  
2           opportunities, this being the first one. There'll  
3           be several others where the public will have an  
4           opportunity to participate.

5           We also provide information on this  
6           project. And probably your easiest way to access  
7           it, as Mr. Kramer said, there's a dedicated  
8           website which is on this green sheet, both in  
9           English and Spanish, that you can access and get  
10          all the information about this particular project.

11          Now, how can you participate in the  
12          proceedings? There are two ways for the public.  
13          You can participate as an interested member of the  
14          public and get all the information that you want.

15          Now if you want to participate in a more  
16          formal way, you can become an intervenor. You  
17          have to petition the Committee, the Siting  
18          Committee, which is the two Commissioners. You  
19          have to petition them in writing and within 30  
20          days the Committee will render its decision  
21          typically. If you can indicate a connection or an  
22          interest in the project, then it's typically  
23          granted.

24          Now, if you want to participate as an  
25          intervenor our office is here to help you with the

1 process. We cannot represent you, however, but  
2 you can represent yourself. You do not have to be  
3 an attorney.

4 When can you intervene? When is a good  
5 time to intervene? Earlier the better, but you  
6 have to intervene at least 30 days prior to the  
7 evidentiary hearing, which is the main hearing  
8 that Mr. Kramer is talking about, when there is  
9 evidence introduced after the staff assessments  
10 and public comments.

11 As an intervenor, you can bring your own  
12 witnesses, or you can cross-examine other parties'  
13 witnesses. Now, there's certain obligations that  
14 you have to have, such as notification of all the  
15 other parties. And by notification I mean you  
16 have to serve them, in effect, by the mail.

17 So we can help you with all this. I'll  
18 be in the back to answer questions that you may  
19 have about your interest, or how you might want to  
20 participate in the process.

21 Now, let me just very quickly summarize  
22 our outreach efforts for this particular case. As  
23 a matter of course we always reach out, make sure  
24 that we notify what we call sensitive receptors.  
25 These would be organizations or individuals who

1       could be potentially more affected by location of  
2       a facility such as this one.

3               And this would include schools, health  
4       facilities, community services organizations and  
5       some members of the general public who might be  
6       more sensitive healthwise or otherwise to projects  
7       such as this.

8               We have identified and notified 468  
9       sensitive receptors within a six-mile radius of  
10      this proposed site. We have also -- we have done  
11      so by letter and also by this flyer about this  
12      particular -- these events today. We have also  
13      notified 70 public officials of the local  
14      governments. There are, I believe, nine cities  
15      that fall within a six-mile radius of this  
16      particular site. They were also notified, some of  
17      whom are here today and we're glad to see.

18              In addition, we have placed ads in three  
19      issues, the April 6th, 9th, and 12th issues of the  
20      Orange County Register in English, and also in the  
21      April 11th issue of the Excelsior, which is the  
22      Spanish weekly of the Orange County Register,  
23      about these particular events.

24              In addition, we have contacted ten radio  
25      stations, both Spanish and English, and seven tv

1 stations, requesting public service announcements  
2 for this event. So we have tried our best to  
3 reach as much of the public about these events as  
4 possible.

5 And we hope that we're going to -- these  
6 folks who have come out, or are yet to come out,  
7 will stay engaged through the process. And we're  
8 here to help them.

9 If you have any questions I'll be  
10 available in the back of the room. Thank you very  
11 much.

12 HEARING OFFICER KRAMER: Nick, we have a  
13 question for you.

14 PRESIDING MEMBER BYRON: Mr. Bartsch,  
15 forgive me if you said this and I wasn't listening  
16 and I apologize, did you also notify the City of  
17 Placentia? Mr. Bartsch, did you also notify the  
18 City of Placentia about this proposed project?

19 MR. BARTSCH: Beg your pardon,  
20 Commissioner?

21 PRESIDING MEMBER BYRON: Did you notify  
22 the City of Placentia?

23 MR. BARTSCH: Yes. All the City  
24 Councilmembers and also the City Manager's Office  
25 have been notified. Yes.

1                   PRESIDING MEMBER BYRON:   Okay, thank  
2     you.

3                   MR. BARTSCH:   And eight other cities in  
4     the surrounding area.

5                   PRESIDING MEMBER BYRON:   All right.

6                   MR. BARTSCH:   One more thing I forgot to  
7     mention.   The blue cards I have here, if you'd  
8     like to make a comment during the public comment  
9     period, please ask for a blue card, fill it out  
10    and give it back to me prior to the public comment  
11    period.

12                  HEARING OFFICER KRAMER:   Thank you, Mr.  
13     Bartsch.

14                  We will now ask the parties to make  
15     their presentations in the following order.   First  
16     the applicant will describe the proposed project.  
17     Then Commission Staff will describe the  
18     Commission's licensing process and staff's role in  
19     that process.   That will be followed by  
20     presentations we may have from interested agencies  
21     including the Air District.

22                  And next we will discuss scheduling and  
23     other matters that are addressed in the staff's  
24     issues identification report.   And hear the  
25     applicant's response to that report.

1                   Finally, we will have comment from  
2           members of the public, which will be their  
3           opportunity to make comments and also ask  
4           questions.

5                   So, let's begin with the applicant.

6                   MR. WOOD: Well, it's my pleasure to  
7           welcome you to the City of Anaheim, and to have  
8           you here in our City Council Chambers, and begin  
9           this very important process to consider this new  
10          project.

11                  HEARING OFFICER KRAMER: Would you say  
12          your name for the transcript?

13                  MR. WOOD: Tom Wood, the Assistant City  
14          Manager for the City of Anaheim. I'm normally  
15          sitting over there, so it's a little bit  
16          different.

17                  (Laughter.)

18                  MR. WOOD: As one of the premiere  
19          destination resorts in California, the City of  
20          Anaheim is known worldwide as a center for  
21          entertainment, tourism, sports and convention  
22          activities.

23                  Additionally, Anaheim is recognized as a  
24          world class business center and a regional hub for  
25          economic activity in this part of Orange County.

1           For these reasons it is critical that  
2           the City explore new ways to meet the increased  
3           energy demand of our residents, businesses and  
4           visitors.

5           The Canyon Power Project will allow the  
6           City to meet a number of critical needs, including  
7           providing new energy supply for Anaheim and the  
8           region; provide both reliable and affordable  
9           energy for Anaheim residents and our businesses;  
10          assisting the City in meeting new requirements,  
11          new state requirements, regarding local capacity.  
12          And reducing our dependence on out-of-state  
13          generation plants.

14          I would also like to point out that  
15          Anaheim's Public Utility Department recently  
16          received the American Public Power Association's  
17          prestigious platinum level reliable public power  
18          provider award. That's a mouthful of p's to put  
19          together in one sentence.

20          This award recognizes the utility  
21          companies for providing customers with the highest  
22          degree of reliable and safe electric service.  
23          With the Canyon Power Project in Anaheim we will  
24          continue to provide the high level of service we  
25          have been recognized for.



1           Because of the importance of this  
2       project the Canyon Power Project receives the full  
3       support and endorsement of Anaheim City Staff, as  
4       well as our City Councilmembers.

5           Again, I want to welcome you and thank  
6       you for consideration of this worthy project. And  
7       at this point in time I would like to introduce  
8       our General Manager of our Public Utilities,  
9       Marcie Edwards. And to do the presentation, Steve  
10      Sciortino, the Anaheim Public Utilities Integrated  
11      Resource Manager, and who will make the balance of  
12      the presentation. And with that, Steve.

13           MR. SCIORTINO: Thank you. And, again,  
14      Commissioner and Staff, Advisors and Committee  
15      Members, we thank you for the opportunity to  
16      present this project for Anaheim. This will be  
17      the first project we've undertaken since 1989.  
18      So, we're all excited about it and looking forward  
19      to the process.

20           Just to give you a brief description of  
21      the City's Department, we've been in business for  
22      over 100 years for electric service, and over 150  
23      years for water service for the City of Anaheim.  
24      Our population is over 350,000 people. We have  
25      over 110,000 meters for electric service; 85

1 percent of which are residential customers.

2 Now, the City of Anaheim is one of 11  
3 other municipal or irrigation district public  
4 power servers for electricity in southern  
5 California. It's a consortium of cities that  
6 we've formed an agency called Southern California  
7 Public Power Authority. We're a member of that,  
8 along with Los Angeles Department of Water and  
9 Power and several other cities within the basin.

10 I bring that up because, as you know,  
11 this is a SCPPA application, we're a member of.  
12 The purpose for the application under this  
13 description is that SCPPA's role in our  
14 environment is to facilitate projects like this.

15 Lots of times over the course of history  
16 cities have gotten together to get involved in  
17 major capital investments such as large coal  
18 facilities in the Utah and New Mexico area.  
19 There's also been for us to get involved in  
20 transmission projects to bring that power in.

21 So, SCPPA acts as a clearinghouse for  
22 major projects for us, both to facilitate the  
23 projects, as well as to help finance it. No  
24 individual city, with the exception of maybe L.A.,  
25 could undergo any of these projects on their own.

1 And so SCPPA allows us to get together and to  
2 participate jointly in these projects.

3 And in this instance, you might recall  
4 probably a few years ago a classic example of that  
5 would be the Magnolia project in the City of  
6 Burbank, which Anaheim and five other utilities,  
7 including Burbank, went together to construct that  
8 project which is a 250 megawatt combined cycle  
9 facility.

10 So SCPPA acts as, in this instance,  
11 maybe a banker. And we're buying a house. And  
12 SCPPA owns the property and we're kind of paying  
13 back on debt service, if you want to use an  
14 analogy. So in this instance it would be a SCPPA-  
15 financed project, and Anaheim would be the sole  
16 participant in this project. None of the other  
17 cities would be involved.

18 So we'll be the project manager during  
19 construction, and we'll also be the project  
20 operator once the unit gets in commercial  
21 operation. And it will be used solely for the  
22 purposes of our Anaheim customers.

23 And just to go over the project again,  
24 it's a 200 megawatt facility with four LM-6000s,  
25 using natural gas for fuel. Our expected

1 operations is approximately 200 hours per year for  
2 the facility, as a whole.

3 It will be located in the heart of the  
4 Canyon business center. And the site, as you've  
5 seen today, is approximately ten acres.

6 And just to give you a physical location  
7 of where the plant's located, it's right in the  
8 middle of town on the northern section. And you  
9 can see we're surrounded by Placentia, Fullerton  
10 and Yorba Linda on the north. So those will be  
11 our northerly neighbors.

12 We have kind of a pictorial or aerial  
13 view of it -- it's in the middle in red there --  
14 to kind of give you a sense of where in the  
15 industrial area we're located. And right in the  
16 heart of it. So you can see there's not -- we've  
17 got quite a ways to go before we encounter any of  
18 the resident communities.

19 And then we've got a closer view of  
20 this. This is an artist's rendition of what the  
21 facility would look like in terms of its location.  
22 And we're on the corners of Miraloma and Kramer.

23 HEARING OFFICER KRAMER: Could you go  
24 back a slide?

25 MR. SCIORTINO: Certainly.

1 HEARING OFFICER KRAMER: Where would the  
2 nearest residences be there?

3 MR. SCIORTINO: Up in the upper section  
4 of the picture you can see Orangethorpe Avenue  
5 running east and west at the top. So the  
6 residential community is on the other side of  
7 that. That's --

8 HEARING OFFICER KRAMER: So Partridges  
9 and Meadowlark Streets, it looks like?

10 MS. EDWARDS: -- in the quadrant that  
11 shows the orange block for the power plant, or  
12 above that --

13 MR. SCIORTINO: It's north. The red  
14 section on the graph is where the facility is  
15 located. And as you go north on the picture,  
16 Orangethorpe is the last street that runs east and  
17 west. And the residences are on the northern side  
18 of that street.

19 HEARING OFFICER KRAMER: Okay, thank  
20 you.

21 PRESIDING MEMBER BYRON: And one more  
22 question. Approximately what's the distance from  
23 the --

24 MR. SCIORTINO: It's a half a mile.

25 PRESIDING MEMBER BYRON: Okay, about

1 2500 yards then?

2 MR. SCIORTINO: Yes.

3 PRESIDING MEMBER BYRON: Okay, thank  
4 you.

5 MR. SCIORTINO: Okay, so there's the  
6 rendition of how it will look once it's complete.

7 The site location has several benefits.  
8 We went through a very extensive series of  
9 evaluations to look at potential property sites in  
10 the City several years ago. And we went through  
11 that process once again about two years ago to  
12 take a look at what properties were available in  
13 the City that would be ideal for this.

14 And this particular location was, as  
15 we've identified, in the center of the industrial  
16 zoned area. The size of the property, it was very  
17 difficult to find something that was larger than  
18 five acres. And we've recognized that we needed  
19 approximately ten to build this facility and have  
20 enough area available for a laydown during  
21 construction.

22 It's also very close to the existing  
23 infrastructure. We're not very far from our 69 kV  
24 transmission system. We're not very far from the  
25 SoCalGas distribution that serves electric utility

1 generation within the coast. So we're very close  
2 to those two.

3 Now just to kind of walk through why the  
4 project is needed. Obviously we have summer  
5 demand that the utility has to meet. That's where  
6 our peaking season typically occurs. And I'll  
7 show you here, in another slide, how our existing  
8 resources are not enough to meet the existing  
9 load, or the existing customer demand during the  
10 summer peak and we have to go out to procure power  
11 in the market to be able to cover ourselves.

12 For the long term, we have several  
13 resources for renewables like wind that a  
14 combustion turbine is utilized to provide backup  
15 power. When the wind's not available we need an  
16 asset that we can quickly get into the system to  
17 be able to back in behind the wind.

18 The turbines obviously act as an ability  
19 for us to meet changes in customer demand on a  
20 momentary basis, within a five- to ten-minute  
21 period during the summer period.

22 It's also going to help us reduce our  
23 reliance on out-of-state power. Right now the  
24 City imports approximately 90 percent of its  
25 energy needs from our resources outside the state.

1 It really puts us at a transmission risk in the  
2 event that there is outages on the line. And what  
3 we're looking for is to become a little more  
4 reliable within the City and have more reliance on  
5 our internal generation.

6 There are several reliability  
7 requirements that we have to maintain. As a  
8 member of the California ISO we're required to  
9 carry a 15 percent planning reserve margin. All  
10 load-serving entities in the California ISO's grid  
11 are required to do that.

12 When we get into their new protocol  
13 system, probably within the next year of their  
14 scheduling system, we'll have to bid that surplus  
15 power into their markets and participate in that  
16 process. Part of the reason for that was the  
17 ISO's requiring all the load-serving entities to  
18 have additional capacity so we can avoid some of  
19 the outages that we had back in 2000/2001.

20 So, in addition to meeting our own  
21 system requirements, we're also required to bid  
22 some of that surplus capacity into the California  
23 markets to make sure that the rest of the grid has  
24 reliability.

25 By not having those, there is a charge



1       that the City has to pick up by not having that  
2       capacity within the City. So, we're looking to  
3       help our customers by avoiding those costs.

4               Now, just to give you an example of our  
5       existing portfolio, it's there on the screen. The  
6       line that's blue is a 24-hour profile of a summer  
7       peak day in the year 2010/2011, which we  
8       anticipate the project to be installed.

9               If you can see the last facility we have  
10      loaded is our Hoover facility. The area between  
11      Hoover and the blue line represents our inability  
12      to meet our load with our existing resources.

13              The black line that's above that  
14      indicates what the requirements would be with the  
15      15 percent reserve margin that we'll be having to  
16      carry.

17              So if we superimpose the Canyon project  
18      you'll see that we have sufficient capacity when  
19      we add it to the system to meet our peak load, and  
20      also to satisfy our ISO 15 percent planning  
21      reserve requirements.

22              That not only helps us when we get to  
23      2010, but this graph gives you an indication of  
24      once we've built the project it'll be good for the  
25      City for the next several years in terms of

1 meeting the growth in our customer load. So you  
2 can see that there's probably -- these numbers are  
3 conservative, but we have a potential of being  
4 able to use this capacity for the next several  
5 years before we get into a position where we have  
6 to add additional capacity.

7 So, you can see we're also meeting our  
8 15 percent planning reserve margin for several  
9 years to come.

10 Okay, the project, as we filed with the  
11 application. Obviously we will be meeting the  
12 AQMD requirements with the latest version of  
13 section 1309.1. I think that the NOx emissions  
14 that we'll meeting would be 2.3 pounds per ton --  
15 ppm, sorry, parts per million. Obviously we'll go  
16 through the process with AQMD to get the permits.

17 The project, itself, in terms of the  
18 greenhouse gas emissions, which has become an  
19 important issue as of late, we see that it's only  
20 going to add 3 percent to our overall current  
21 portfolio, and relative to the rest of the basin.

22 We've recognized that there's over 31  
23 plants that are located in the L.A. Basin, and  
24 we've estimated that by putting the Canyon project  
25 in play we'll only be adding less than 1 percent

1 of the overall greenhouse gas emissions that the  
2 rest of the generating units are producing.

3 We've done a considerable job, I think,  
4 of reducing the greenhouse gas emissions that we  
5 currently produce. In the last several years  
6 we've reduced our overall greenhouse gas emissions  
7 by 10 percent. And a lot of that is due to load  
8 reductions, conservation, energy efficient  
9 efforts. And a lot of the load growth that we've  
10 actually encountered has been met with renewable  
11 resources and some of our gas-fired resources.

12 Impacts on noise. Obviously we'll be  
13 meeting our City code. We've spent considerable  
14 amount of time talking to our planning department  
15 to make sure that we're adhering to the  
16 requirements that they have.

17 Part of this -- Larry might have  
18 mentioned on the tour, that we're going to  
19 surround the facility, the perimeter, with a 20-  
20 foot wall for visual and sound impacts. The  
21 plant, itself, is going to be equipped with the  
22 proper equipment in order to maintain the -- I  
23 think we're going to be looking at 65 decibels at  
24 the wall, which is equivalent to typical street  
25 noise. So, we're okay on that side.

1           Impacts on traffic. We, again, worked  
2       with our traffic department here within the City  
3       to coordinate what kind of impacts the project  
4       will have on traffic. We're also going to be  
5       coordinating them with the construction activities  
6       that will be taking place. And once the  
7       facility's actually in operation the traffic's  
8       probably going to be minimalized.

9           But we're also going to be working with  
10      making sure that the delivery of the major  
11      equipment that's going to be delivered to the site  
12      is coordinated with the least amount of  
13      interference to traffic as possible.

14           Water supply. This is something that I  
15      think we're pretty excited about. We've worked  
16      with the Orange County Water District. They're  
17      developing a new groundwater replenishment system.  
18      Part of that would be originating treated water  
19      from the Fountain Valley Treatment Facility.

20           And the water that we're going to be  
21      using is equivalent to potable water. And  
22      according to Orange County Water District folks  
23      this will be the first industrial application for  
24      the use of that water.

25           We've identified --

1 MS. EDWARDS: For purposes of  
2 clarification, the water's not classified as  
3 potable. What Steve is referencing is from a  
4 quality standpoint it's treated to levels that  
5 match that of potable water. But it's not  
6 considered potable. Thank you.

7 MR. SCIORTINO: Thank you, Marcie, for  
8 the clarification.

9 In addition to the water quality getting  
10 to the facility obviously it's going to -- the  
11 water will be treated once again and it will be  
12 demineralized before it's mixed into the  
13 combustion process to help with the emission  
14 reduction.

15 And so the water that actually is  
16 returned to the ground will be, I guess, a lot  
17 cleaner than when it was taken out.

18 Impact on the aesthetics. Again, we  
19 mentioned that the facility's going to be  
20 surrounded by a 20-foot wall. We'll have a  
21 picture here shortly to show you that the stack  
22 height's limited from the street by having the  
23 wall that height. And it's also, again we've  
24 worked with the Planning Department to make sure  
25 that the wall and the setbacks meet all of their

1 requirements.

2           So, here's kind of an artist's rendition  
3 of what the facility would look like from the  
4 street. The surrounding 69 kV poles are  
5 approximately the same height as the stacks. And,  
6 of course, the ivy, it's not very clear, but the  
7 walls are covered with ivy. Here's a corner view  
8 of it.

9           There's a couple of green elements that  
10 we're considering for the project. We're going to  
11 put solar paneling in all the roofing areas on the  
12 control building, the switch gear covering. We've  
13 estimated that we've got enough rooftop facility  
14 to house 200 kilowatts of solar paneling, which  
15 would help us reduce some of the auxiliary load  
16 that's at the facility. So we're looking for ways  
17 to get maximum amount of energy from the facility  
18 without adding additional costs for our  
19 ratepayers.

20           The control building, itself, we're  
21 going to be putting a thermal energy storage for  
22 cooling, rather than conventional air  
23 conditioning. During construction we're going to  
24 be looking towards getting LEED certification for  
25 getting that process done. And all of the

1 occupied structures will be optimizing its energy  
2 and water efficiencies.

3 We've done a little bit of outreach,  
4 ourselves. Prior to filing our application we've  
5 met with all of the neighborhood district  
6 councils, of which there are four in the City.  
7 And made a presentation of the project to let them  
8 know what we were doing, why we were doing it, how  
9 it benefits the ratepayers, where it was located,  
10 and all of the benefits that the facility will  
11 provide.

12 We also met with the business community  
13 the following month and made a similar  
14 presentation. We invited all of -- well, as many  
15 as we could get, the businesses that were in the  
16 immediate area, just to get them familiar with  
17 their new neighbor, our new neighbors.

18 And we also worked with the City Council  
19 in the month of November to describe the project;  
20 to get them the detail of how this project was  
21 going to work.

22 And then we've made several  
23 presentations to our Public Utilities Board, our  
24 advisory board, to let them know where we are in  
25 the process.

1                   So, this is what we're anticipating.  
2           The bottomline of this, I guess, is that we're  
3           looking to get the facility operated by the summer  
4           of 2010. So that's what our hope is in terms of  
5           the process.

6                   And that concludes our presentation.

7                   HEARING OFFICER KRAMER: One question  
8           for you. You said you were expecting it to  
9           operate 2000 hours a year. Are you going to, in  
10          effect, limit the maximum amount of operation to  
11          less than 24/7 by say just buying offsets for some  
12          number less than, you know, 24/7 hours?

13                  MR. GALATI: Yeah, we'll definitely be  
14          doing that. As you may recall, Mr. Kramer, in the  
15          South Coast your offsets are determined on the  
16          worst case month. And so our offset package will  
17          actually be based on what the worst case month we  
18          think we might be operating, so it's in the  
19          summertime.

20                  In addition, the South Coast's recent  
21          priority reserve rule has a limitation, I think,  
22          about 4000 hours for us. But we will be limiting  
23          it through our offset acquisitions.

24                  HEARING OFFICER KRAMER: Thank you.  
25          Staff, your presentation.



1           MR. GALATI: Before you go, Che, if I  
2 could just clarify. Commissioner Byron, you had a  
3 question about the closest receptor. And the 2500  
4 feet up to the north was the closest neighborhood.  
5 There is one caretaker residence in a commercial  
6 area that is about 1200 feet. And I'm not sure if  
7 that's to the southwest, but I think it's to the  
8 south. And we can get that information for you.

9           In the AFC we actually analyzed the  
10 impacts to that as the closest residence; I think  
11 that's what we did. But I think we've been  
12 thinking that's the closest residential  
13 neighborhood up to the north. But there is that  
14 one caretaker residence.

15           PRESIDING MEMBER BYRON: Um-hum, and  
16 that neighborhood is in Placentia?

17           MR. GALATI: That's correct.

18           PRESIDING MEMBER BYRON: And thank you  
19 for correcting my units; I was off by yards to  
20 feet there a little bit, so I'm sorry. Thank you.

21           MR. McFARLIN: I'll go ahead and do my  
22 presentation now. As I mentioned earlier, my  
23 name's Che McFarlin. I'm the Energy Commission's  
24 Siting Project Manager for the Canyon Power  
25 Plant's application for certification which was

1 filed with the California Energy Commission  
2 seeking a license to construct and operate the  
3 proposed power plant.

4 And the following presentation is just  
5 intended to provide you with an introduction or  
6 overview of the siting process. And if you have  
7 additional questions we'll take those later on.  
8 There's a lot more supplemental materials I can  
9 give you if you have an interest in the details of  
10 the process.

11 The purpose of the Energy Commission's  
12 siting process is to insure that a reliable supply  
13 of electrical energy is maintained at a level  
14 consistent with the need for such energy, the  
15 protection of public health and safety, the  
16 promotion of general welfare and for environmental  
17 quality protection. And that's from the Public  
18 Resources Code we've got up right now.

19 The Energy Commission has the sole  
20 permitting authority in California over all  
21 thermal power plants of 50 megawatts or greater.  
22 This authority extends to all related facilities:  
23 Linears such as transmission lines; water; gas;  
24 waste disposal and access roads.

25 And the Commission is the lead agency

1 under the California Environmental Quality Act,  
2 and as such we produce a number of decisionmaking  
3 documents associated with the analysis of the  
4 proposed project.

5 And there are three steps to the  
6 Commission process, which I'll go over now. Next  
7 slide, please.

8 The first step is determination of data  
9 adequacy. And during this time just completed,  
10 staff reviewed the application in terms that it  
11 met the minimum requirements to be in our  
12 technical review.

13 And when it was deemed adequate staff  
14 made a recommendation to the Commission to accept  
15 the application through the Executive Director.  
16 And for this project, that determination was made  
17 on March 12th of this year, which started the one-  
18 year project review cycle.

19 Now we're currently, after we've  
20 achieved data adequacy, we're currently in the  
21 second step of the licensing process, the  
22 discovery analysis process. Which during this  
23 time staff will be preparing a preliminary and a  
24 final staff assessment. During which we consider  
25 input from the public, the applicant, agencies and

1 any formal intervenors that we may have. We take  
2 all that information and prepare our assessments.

3 And the Public Adviser's role is to  
4 inform the public and intervenors of how to  
5 participate, as Nick Bartsch went over earlier.

6 The third step that we'll get to after  
7 we go through our analysis, take everyone's  
8 comments, is the evidentiary hearings. And  
9 ultimately the decision.

10 And this process, as I mentioned, begins  
11 after the final staff assessment is published.  
12 The Siting Committee will hold hearings to accept  
13 formal testimony from all participants, as well as  
14 public comments.

15 When the hearings are concluded the  
16 Committee will issue a Presiding Member's Proposed  
17 Decision, or as we refer to it as, a PMPD. This  
18 document contains the findings relevant to the  
19 project's environmental, public health,  
20 engineering impacts and the project's compliance  
21 with laws, ordinances, regulations and statutes.  
22 And recommends conditions of certification, as  
23 well as an ultimate recommendation of whether or  
24 not to approve the project.

25 This PMPD is then used by the full five-

1 member Commission to decide whether or not to  
2 grant a license for the project. If approved, and  
3 the license is granted, then Commission Staff will  
4 then monitor compliance with the conditions of  
5 certification for the life of the project until  
6 it's decommissioned.

7 Throughout our process, and during that  
8 evidentiary hearings, we'll be considering  
9 testimony and comments of all parties. So  
10 everyone will have some input throughout the  
11 process.

12 We also will be seeking input from  
13 agencies at the local, state, and federal levels  
14 when conducting the analysis. Information  
15 provided by these agencies assists us in  
16 identifying issues, impacts and -- mitigation  
17 measures. And we've listed some of them up here  
18 on the board.

19 Additional agencies may become involved  
20 as the analysis progresses. And we've already  
21 sent out a notice requesting input from agencies.  
22 We're just now getting started with that process.

23 And we certainly encourage everyone to  
24 participate, particular the public. And the ways  
25 you can participate include submitting written

1        comments, which are very easy for us to share  
2        amongst each other and provide you with a detailed  
3        response.

4                You can also provide oral comments in  
5        meetings such as this, and you have an opportunity  
6        to later. Or you can also become a formal  
7        intervenor as Mr. Bartsch went over earlier.

8                I would encourage you to provide written  
9        comments, if at all possible, on the preliminary  
10       and final staff assessment that I'll be  
11       coordinating. That way I can get them out to  
12       staff and we can make sure that all your concerns  
13       are addressed within our analysis.

14               Throughout this process we'll be holding  
15       meetings and workshops, and making information  
16       available to anyone who requests it. We'll also  
17       be maintaining a project website, as mentioned  
18       earlier. And that's a really good resource for  
19       you folks to use.

20               Any meetings will be noticed at least  
21       ten days in advance; and we try to get those out  
22       at 14 days, but ten is the minimum in advanced  
23       notice you'll receive. And we maintain several  
24       mailing lists. And if you want to be on those  
25       mailing lists, there's a sign-in sheet at the

1 front. If you could sign in, we'll put you on the  
2 mailing list. Or you can also sign up on the  
3 website, which we'll get to in a second.

4 There's copies of the project  
5 application available for your review at a number  
6 of libraries, as well as on the website. We've  
7 listed a couple of those there, Anaheim and Garden  
8 Grove. There's also more regional ones that are  
9 listed there. Mentions the project website. And  
10 also at our offices in Sacramento, which probably  
11 isn't available to most of you folks.

12 The website that we have contains  
13 several of the major documents, but not all of  
14 them. But it also contains what we call a docket  
15 log, which is all the documents that have been  
16 prepared. So if there's something that's not  
17 available on the website but that you would like  
18 to have access to, just check that docket log and  
19 then let us know and we'll get that information  
20 out to you.

21 And so this is an overview of the  
22 project website that we have, just to give you an  
23 idea of what it looks like. And so on the left-  
24 hand side we go through a couple of the items that  
25 are on there. And if any of you folks want a copy

1 of this presentation when I'm done, I'll have it  
2 available for you so you can get the website,  
3 which I think was also on a contact sheet that Mr.  
4 Kramer put out there.

5 And the only thing on here that's not  
6 terribly obvious is that the Title 20 of the  
7 California Code of Regulations pertains to the  
8 rules, practices and procedures for power plant  
9 site certification under which we operate. So if  
10 you're interested in all the details you can find  
11 them there.

12 And as we mentioned earlier, you can  
13 sign up on the project's website, or on just the  
14 general Energy Commission's website to receive  
15 notifications that were referred to earlier, the  
16 listserver. And that's probably the best way to  
17 stay up to date as far as the project's  
18 development goes.

19 And so if you go to this website, which  
20 you can easily find on the front page of the  
21 Energy Commission's site, and just click  
22 subscribe. There'll be a box for this project,  
23 Canyon. And then you'll start to receive notices  
24 automatically after that.

25 And then at this point staff -- the only



1 document we've prepared is an issues ID report,  
2 which is to inform the participants, including the  
3 applicant, of any potential issues that we've  
4 identified relating to the project.

5 It's also intended to provide focus on  
6 important topics that will affect the project and  
7 staff's analysis of the project. And this is  
8 fairly early on in the process, but we've  
9 identified a few of those.

10 The criteria we use for determining  
11 whether something's identified as an issue is if  
12 there's a potential for some impact that might be  
13 difficult to mitigate; if we see something that  
14 may not be in compliance with applicable laws,  
15 ordinances, regulations; or if there's a conflict  
16 that could affect the schedule.

17 So there's a lot of other things that  
18 we're interested in or have concerns with. But  
19 the only things that make it into the level of  
20 what we call an issue are these things I outlined  
21 here. Whether or not they're difficult to  
22 mitigate, not maybe in compliance or could affect  
23 the overall schedule. And that document is also  
24 available on the front table there, and it's also  
25 on the project website.

1           And so the two issues that have been  
2       identified by staff is that the proposed project  
3       could face a challenge in securing the adequate  
4       criteria, the offsets for air pollution  
5       mitigation. And so that's something we're all  
6       aware of, and the applicant is working towards.  
7       And we'd like to be apprised of any developments  
8       there.

9           The other impact or issue is that since  
10      the system impact study has not yet been prepared,  
11      we understand that that's in process, but we don't  
12      have a delivery date on that. And this system  
13      impact study, or SIS, identifies any downstream  
14      transmission upgrades that could be necessary to  
15      meet the reliability standards of the transmission  
16      network. So that basically just would identify if  
17      there's any other offsite work that would be  
18      required to accommodate this plant's load on the  
19      grid.

20           And then at this point we've identified,  
21      produced our kind of preliminary schedule, which  
22      this is just staff's proposed schedule. The  
23      applicant will probably have one. And ultimately  
24      the Committee will adopt a schedule.

25           And based upon the ideal schedule for

1       this one-year delivery, we are looking at probably  
2       August if this year for our preliminary staff  
3       assessment. And that's when you'll be able to  
4       review that analysis and provide comments.

5               And then we'll hold a workshop soon  
6       thereafter to discuss the PSA. There will also be  
7       other workshops before that. We'll issue data  
8       requests, which are our questions to the  
9       applicant. And they'll provide responses. And  
10      we'll very likely have a workshop at that point to  
11      discuss that, and the status of staff's analysis.

12             And then we may do one also later on if  
13      we have additional rounds of data requests, or  
14      potentially for the final staff assessment. So  
15      there will be multiple opportunities for your  
16      participation.

17             And based on comments received at our  
18      workshops we anticipate publishing the final staff  
19      assessment in October if everything goes according  
20      to plan. And after the completion of the final  
21      staff assessment we then rely on the Committee and  
22      the full Commission to schedule the remaining  
23      items.

24             And again, I just want to mention that  
25      this is kind of the proposed ideal schedule,

1       assuming everything goes smoothly. And it's  
2       subject to a couple of different things, which  
3       would be the timely response to staff's data  
4       requests and resolution of any issues.

5               Our analysis also depends on inputs from  
6       other agencies, particularly the South Coast Air  
7       Quality Management District, and when we receive  
8       their determination of compliance.

9               There will also be information needed  
10      from other agencies that are beyond our control.  
11      And this schedule could also be affected by other  
12      factors which we have not yet identified, being  
13      that we are early on in the process.

14              Just lay out a few of the main contacts.  
15      Everyone here has been introduced. And so I've  
16      got, you know, Commissioners, Commission contacts,  
17      and the applicant main contacts there. And there  
18      may be others, as well. These folks can also be  
19      found, with the exception of Nick Bartsch, on the  
20      proof of service list, which is maintained on the  
21      project website.

22              Now I'll turn the hearing back over to  
23      Mr. Kramer. If you have any questions and you  
24      haven't already filled out a blue card, I'd  
25      encourage you to do that with Mr. Bartsch. And

1       you'll be called accordingly.

2               HEARING OFFICER KRAMER: I just see that  
3       my phone number is wrong there. It's 654, not  
4       651, if anybody's -- can't imagine that you're  
5       writing it down, but if you are.

6               (Laughter.)

7               MR. MCFARLIN: We'll go ahead and make  
8       sure that's right on the website, anyway.

9               HEARING OFFICER KRAMER: Mr. Galati,  
10      applicant's response?

11              MR. GALATI: Yes, thank you. We  
12      actually, we reviewed staff's issues  
13      identification report and the schedule, and I'll  
14      address the schedule first.

15              We support the schedule. We ask the  
16      Committee to consider, instead of putting a hard  
17      date for the preliminary determination of  
18      compliance and the final determination of  
19      compliance, since it's difficult to estimate at  
20      this date when those will be, to actually use what  
21      we've done in the past, which is like a floating  
22      variable, like "n". And then have the PSA 30 days  
23      after. So that the PSA is triggered by the  
24      issuance of the South Coast AQMD's preliminary  
25      determination of compliance.

1           That way we don't have to make an  
2       amendment to the Committee order if that date is  
3       not missed. And our experience, I think, has been  
4       collectively it's hard to predict the exact date  
5       that comes out. So we would ask the Committee to  
6       consider that.

7           But otherwise we support staff's  
8       schedule. We think that it's very helpful and  
9       aggressive.

10          With respect to the two issues that  
11       staff raised, we also understand that those are  
12       issues. Let me address the system impact study  
13       first.

14          We did a system impact study. And what  
15       happened between the time the system impact study  
16       was being done and now is a couple of projects  
17       dropped out of the queue. That happens. And so  
18       it has been sent back for a re-study.

19          So we are aware of the issue, we are  
20       working that issue. And we believe that we should  
21       be able to get information in enough time to get  
22       our license. And we're certainly continuing to  
23       work with staff through data requests to update  
24       that information as we get it.

25          With respect to the South Coast Air

1       Quality Management District where we are located,  
2       and staff's identification that offsets are  
3       scarce, that is absolutely correct. And I think  
4       that the Commission is well aware of many projects  
5       in the South Coast that have struggled with  
6       offsets.

7               The primary issue is the South Coast has  
8       opened up its priority reserve, and that rule was  
9       adopted in August of last year. We prepared our  
10      application. Since we were lucky enough to file  
11      our application after the priority reserve rule  
12      was passed -- some applicants were filing while it  
13      was in the process -- we knew what the  
14      requirements were of the priority reserve.

15             And we made a demonstration, we believe,  
16      in our application to the Energy Commission, and  
17      in our subsequent application to the South Coast,  
18      of we meet every one of their requirements.

19             And we're currently working with South  
20      Coast. In fact, we have a meeting with them on  
21      Friday to talk about some technical issues. And  
22      we feel very confident that we will be able to  
23      demonstrate that we meet the South Coast Air  
24      Quality Management District, all their rules. But  
25      primarily the priority reserve. That is the more

1       stringent rules. It actually limits our emissions  
2       even below some BACT levels.

3               HEARING OFFICER KRAMER: Staff, do you  
4       have a response to Mr. Galati's proposal to make  
5       the PSA and FSA dates a formula?

6               MR. McFARLIN: No. I think that's  
7       probably well advised being that we don't know  
8       exactly when some of these documents are going to  
9       be made available.

10              HEARING OFFICER KRAMER: Okay. Did any  
11      of the agencies wish to make a presentation?  
12      Seeing none, we'll then move on to public  
13      comments.

14              Mr. Bartsch, do you have any cards?

15              MR. BARTSCH: I have one.

16              HEARING OFFICER KRAMER: Okay. Why  
17      don't you just read the name at the microphone,  
18      and then that person can come forward. Or I guess  
19      he can come forward, he knows who he is.

20              Then for anybody else who's thinking  
21      about making a comment, this is a really good time  
22      in the process to tell the Committee and the staff  
23      your concerns. Because they're just starting to  
24      do their work, researching and reviewing the  
25      application. And if they know that you're



1       concerned about something at this point they are  
2       much more likely to adequately, maybe not to your  
3       satisfaction on the ultimate decision, but to at  
4       least address your concerns in their analysis.

5               So go ahead, sir. Please first give us  
6       your name and then make your comment.

7               MR. AMENT: Good evening. My name is  
8       Todd Ament, A-m-e-n-t. And I'm the President and  
9       CEO of the Anaheim Chamber of Commerce. And also  
10      an over-40-year resident of the City of Anaheim,  
11      and live nearby the site that's being discussed  
12      tonight.

13              I'm here tonight representing the  
14      Anaheim business community. Anaheim has over  
15      14,000 businesses employing over 170,000 employees  
16      in the City.

17              The Canyon Power project will improve  
18      upon the City's ability to provide reliable power  
19      to all Anaheim residents and businesses, thus  
20      insuring uninterrupted business practices during  
21      times of peak power demand.

22              Additionally, with the Canyon Power  
23      project online, Anaheim public utilities will  
24      continue to provide businesses with reliable  
25      service and rates that are the lowest in the

1 region, key to job retention and attraction in our  
2 area.

3 With reliability in mind, this project  
4 will be an asset that many new, as well as  
5 established, businesses will consider when  
6 choosing their location to conduct daily business  
7 activities.

8 The City of Anaheim is continuing to  
9 grow, attract new businesses and bring additional  
10 visitors to Anaheim on an annual basis. The  
11 Canyon Power project is a necessary addition to  
12 insure the successful implementation of the City's  
13 vision for growth.

14 The Chamber also supports Anaheim's  
15 continuing investment in green power, in order to  
16 reduce our overall dependency on coal as a means  
17 to generate electricity. We understand the Canyon  
18 Power Plant is critical to supply the backup power  
19 needed so that Anaheim can buy more green power  
20 while not risking reliability as a result.

21 I thank you for the opportunity to  
22 express the Anaheim business community's support  
23 for the Canyon Power project. And we also welcome  
24 this opportunity to support this endeavor and look  
25 forward to assisting the City in making this

1 project a reality.

2 Our City Council and our City Staff has  
3 done a great job in vision, in finding ways to  
4 plan for our future demand. And we hope that  
5 you'll see that and see it as a great site.

6 So, thank you very much.

7 HEARING OFFICER KRAMER: Thank you. Is  
8 there anyone else --

9 MR. AMENT: Here's a letter for the  
10 record, also.

11 HEARING OFFICER KRAMER: Okay, thank  
12 you. Does anyone else wish to make a public  
13 comment?

14 Okay, seeing no one, two housekeeping --  
15 or actually one housekeeping mater. Earlier I  
16 gave each of the parties a copy of the current  
17 proof of service list. And wanted to know if they  
18 wanted to make any changes to it.

19 I just noticed that Mr. Wilson's email  
20 address is slightly off, and I'll take care of  
21 fixing that.

22 Are the parties otherwise satisfied with  
23 the proof of service list?

24 MR. GALATI: Yes.

25 HEARING OFFICER KRAMER: Staff?

1 MR. MCFARLIN: We're fine with it.

2 HEARING OFFICER KRAMER: Okay, thank  
3 you. Does either party wish to make any final  
4 comments?

5 Okay, seeing none, the Committee will  
6 issue a scheduling order based on today's  
7 proceedings in the next week or two.

8 And we want to thank the City for  
9 providing this hearing room. It looks like it  
10 will be a good place for us to conduct our  
11 business as we go forward.

12 PRESIDING MEMBER BYRON: I would also  
13 like to extend my thanks. We don't always have as  
14 nice a venue as this to conduct our meetings, nor  
15 as good food as we had earlier this evening.

16 I'd like to extend my thanks to Ms.  
17 Edwards and Mr. Sciortino. A very well done  
18 presentation.

19 Also the elected officials that were  
20 here. Very much appreciated, Mr. Woods. Learned  
21 a great deal this evening even prior to our  
22 hearing about the City and the way it operates.  
23 And it's very impressive.

24 We'll be back. There'll be some, as our  
25 Hearing Officer indicated, there will be some

1 staff workshops that will likely be conducted  
2 here. We will likely be back for evidentiary  
3 hearings here in this room, if you'll have us.

4 And I hope we've impressed upon  
5 everyone, we take this process very seriously.  
6 And having said all these good things about the  
7 City of Anaheim, I'm also reminded today is tax  
8 day. So if you haven't, it's a good time to pay  
9 your taxes today.

10 Thank you all very much for being here.  
11 Thanks for having us.

12 HEARING OFFICER KRAMER: So we are  
13 adjourned. Thank you.

14 (Whereupon, at 6:46 p.m., the hearing  
15 was adjourned.)

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## CERTIFICATE OF REPORTER

I, TROY A. RAY, an Electronic Reporter,  
do hereby certify that I am a disinterested person  
herein; that I recorded the foregoing California  
Energy Commission Hearing; that it was thereafter  
transcribed into typewriting.

I further certify that I am not of  
counsel or attorney for any of the parties to said  
hearing, nor in any way interested in outcome of  
said hearing.

IN WITNESS WHEREOF, I have hereunto set  
my hand this 21st day of April, 2008.

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